



LEGISLATIVE FISCAL OFFICE
Streamlining Commission Analysis

Recommendation No. **RECOMMENDATION 69**
Streamlining Draft **AGEDNES 13**

| | |
|---------------------------------------|---------------------------------|
| Date: December 3, 2009 2:53 PM | Author: |
| Dept./Agy.: DHH | Analyst: Shawn Hotstream |
| Subject: Long Term Care Waiver | |

Develop and implement pilot program in selected areas of the state for managed, integrated Long Term Care Services for the elderly and people with adult-onset disabilities.

| EXPENDITURES | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 5 -YEAR TOTAL |
|----------------|-----------|-----------|-----------|-----------|-----------|---------------|
| State Gen. Fd. | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

| REVENUES | 2010-11 | 2011-12 | 2012-13 | 2013-14 | 2014-15 | 5 -YEAR TOTAL |
|----------------|-----------|-----------|-----------|-----------|-----------|---------------|
| State Gen. Fd. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Agy. Self-Gen. | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Ded./Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal Funds | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | SEE BELOW | |
| Local Funds | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Annual Total | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

EXPENDITURE EXPLANATION

This streamline recommendation proposes to implement a long term care managed care program in select areas of the state through a pilot waiver. The program will deliver long term care services to the elderly and individuals with adult-onset disabilities. The intent is to deliver current services to existing recipients more efficiently, at lower more predictable costs, and improve outcomes. If implemented, the effect on state general fund expenditures is unknown, and costs savings will ultimately depend on program design. The LFO is researching other states that may have implemented LTC managed care models in order to determine any recorded cost savings, or identify states that have experienced a reduction in the normal growth in out-year expenditures for these populations. DHH has indicated that the states of Arizona, Texas, and Wisconsin have implemented some form of LTC managed care. Based on discussions in the streamline commission meetings, the LFO assumes the intent may be to develop a Louisiana program that may be designed very similar to the STAR+PLUS Long Term Care program in Texas. To that extent, the program may provide primary health care (doctor visits), acute and long term services and supports through a managed care system (HMO). Specific support services in the STAR+PLUS program include assistance with daily living activities (ADLA), home modifications, temporary daily supervision/respice, and personal assistance.

The following information will be required to determine any savings in FY 11 and future fiscal years:

- 1) financial model (fee for service or pre paid plan, or combination of the two)
- 2) if capitated, current per member per month cost by population covered compared to a projected per member per month pre paid monthly premium (negotiated)
- 3) populations included in the plan (assume most nursing home residents, Elderly and Disabled Adults Waiver recipients, Adult Day Health Care waiver recipients, and LT-Personal Care Services)
- 4) scope of services
- 5) participant enrollment mandatory or optional

Continued on page 2

REVENUE EXPLANATION

Any reductions in Medicaid expenditures as a result of this program will result in a decrease in the federal match.

| | | | |
|---|----------------------------|--|-----------------------------------|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | |
| <input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost | | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost | H. Gordon Monk |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease | Legislative Fiscal Officer |



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CONTINUED EXPLANATION from page one: Page 2 of 2
Explanation continued:

Information provided from the Department of Health and Hospitals indicates that average enrollment in Medicaid’s Long Term Care programs for FY 09 was approximately 32,000. These include recipients of nursing home services, both Elderly/Disabled Adult and Adult Day Health Care waiver recipients, PACE recipients, and recipients of Personal Care services. The costs associated with these individuals exceeded \$1 B for that year.

| | | | |
|---|----------------------------|--|-----------------------------------|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <u>H. Gordon Monk</u> |
| <input type="checkbox"/> 13.5.1 >= \$500,000 Annual Fiscal Cost | | <input type="checkbox"/> 6.8(F) >= \$500,000 Annual Fiscal Cost | H. Gordon Monk |
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